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Subject: Truth in Lending

Jennifer L. Johnson, Secretary
Board of Governors
Federal Reserve System
20th and Constitution Ave., N.W.
Washington, DC 20551

Dear Board: I previously wrote stating my feelings about credit cards. The following quote, from a 2005 study, proves my point. Any business which accepts a 30% failure rate, needs to be more closely regulated. It is a travesty that a business, with a clear conscious, would have a marketing program through which 30% of their clients default. This action is unconscious able. Randy

"[Consumer Action of San Francisco] CA found default rates as high as 35% (Merrick Bank). Runners-up for the highest default rates are Citibank, Bank of America and Provident at 29.99%. The lowest default rate is 12% (Arkansas National Bank).

Eleven of the 21 banks with universal default policies are willing to reduce the higher rates if cardholders' credit histories improve. Three more banks said it was "possible." Twelve banks out of these 14 said that after six months of improved credit, the rate might be adjusted downward—although not always to the original rate."

www.consumer-action.org

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"Illegitimus nil carborundum"

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